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FACSIMILE TRANSMITTAL SHEET

TO:	FROM:
Derek Wood	Mark D. Wieczorek
FAX NUMBER:	DATE:
(703) 308-6916	March 28, 2002
COMPANY:	TOTAL NO. OF PAGES INCLUDING COVER:
USPTO	10
PHONE NUMBER:	SENDER'S REFERENCE NUMBER:
703-305-0014	00122/003001
RE:	YOUR REFERENCE NUMBER:
Petition to Exclude	09/908,984

URGENT FOR REVIEW PLEASE COMMENT PLEASE REPLY PLEASE RECYCLE

FAX RECEIVED

NOTES/COMMENTS:

MAR 28 2002

Dear Mr. Wood:

PETITIONS OFFICE

You had called to request a copy be faxed to you of the assignment of the entire interest in the above case. To this end, I am faxing you here a copy of the Employment Agreement of the individual in question, Lincoln Evans-Beauchamp, in which he explicitly assigns all applications to my client, Inferscape, on page 5 at section 6(c). The development work included in this patent application was done at the time of Mt. Evans-Beauchamp's employment with Inferscape.

Please let me know if you have any questions.

Mark D. Wieczorek

(562) 244-5671 phone

(443) 238-2678 fax

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**EMPLOYEE CONFIDENTIALITY AND PROPRIETARY INFORMATION
AGREEMENT****FAX RECEIVED**

This Agreement, dated as of 16 JUNE 2000, is between InferScape, Inc., a Delaware corporation ("Employer"), and LINCOLN ERNST BEAUMAIS ("Employee").

MAR 28 2002

RECITALS**PETITIONS OFFICE**

Employer has spent significant time, effort, and money to develop certain Proprietary Information (as defined below), which Employer considers vital to its business and goodwill.

The Proprietary Information will necessarily be communicated to or acquired by Employee in the course of his employment with Employer, and Employer wishes to hire Employee only if, in doing so, it can protect its Proprietary Information and goodwill.

Employer anticipates that certain Invention/Ideas (as defined below) will be conceived, developed, or reduced to practice by Employee during the course of his employment by Employer.

Employer wishes to hire Employee only if, in doing so, it can provide for the disclosure, assignment, and protection of these Invention/Ideas as provided in this Agreement.

ACCORDINGLY, the parties agree as follows:

1. Term of Agreement.

(a) Basic Term. Employee is beginning employment with Employer in the position of Engineer. This Agreement shall continue in full force and effect for the duration of Employee's employment by Employer (the "Period of Employment") and shall continue thereafter until terminated through a written instrument signed by both parties.

(b) Termination Obligations.

(i) Employee agrees that all property, including, without limitation, all equipment, tangible Proprietary Information (as defined below), documents, books, records, reports, notes, contracts, lists, computer disks (and other computer-generated files and data), and copies thereof, created on any medium and furnished to, obtained by, or prepared by Employee in the course of or incident to his employment, belongs to Employer and shall be returned promptly to Employer upon termination of the Period of Employment.

(ii) Employee's representations, warranties, and obligations contained in this

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Agreement shall survive the termination of the Period of Employment, and Employee's representations and warranties shall also survive the expiration of this Agreement.

(iii) Following any termination of the Period of Employment, Employee shall fully cooperate with Employer in all matters relating to his continuing obligations under this Agreement.

2. Proprietary Information.

(a) Defined. "Proprietary Information" is all information and any idea in whatever form, tangible or intangible, pertaining in any manner to the business of Employer, or any Affiliate, or its employees, clients, consultants, or business associates, which was produced by any employee of Employer in the course of his or her employment or otherwise produced or acquired by or on behalf of Employer. All Proprietary Information not generally known outside of Employer's organization, and all Proprietary Information so known only through improper means, shall be deemed "Confidential Information." Without limiting the foregoing definition, Proprietary and Confidential Information shall include, but not be limited to: (i) formulas, teaching and development techniques, processes, trade secrets, computer programs, electronic codes, inventions, improvements, and research projects; (ii) information about costs, profits, markets, sales, and lists of customers or clients; (iii) business, marketing, and strategic plans; and (iv) employee personnel files and compensation information. Employee should consult any Employer procedures instituted to identify and protect certain types of Confidential Information, which are considered by Employer to be safeguards in addition to the protection provided by this Agreement. Nothing contained in those procedures or in this Agreement is intended to limit the effect of the other. For purposes of this Agreement, "Affiliate" shall mean any person or entity that directly or indirectly controls, is controlled by, or is under common control with Employer. However, the Employee shall not be so restricted where (i) the information is now or becomes public through no fault of the Employee, or (ii) the Employee already had the information in his possession from his own work prior to the date of this Agreement, or (iii) the Employee received the information from a third party on a non-confidential basis and not derived from the Employer, or (iv) the Employee receives permission in writing from the Employer to disclose the information.

(b) General Restrictions on Use. During the Period of Employment, Employee shall use Proprietary Information, and shall disclose Confidential Information, only for the benefit of Employer and as is necessary to carry out his responsibilities under this Agreement. Following termination, Employee shall neither directly or indirectly, use any Proprietary Information nor disclose any Confidential Information, except as expressly and specifically authorized in writing by Employer. The publication of any Proprietary Information through literature or speeches must be approved in advance in writing by Employer. WARNING: Improper use or disclosure of trade secrets can be a violation of state and federal law punishable by fines and imprisonment.

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(c) Location and Reproduction. Employee shall maintain at his work station and/or any other place under his control only such Confidential Information as he has a current "need to know." Employee shall return to the appropriate person or location or otherwise properly dispose of Confidential Information once that need to know no longer exists. Employee shall not make copies of or otherwise reproduce Confidential Information unless there is a legitimate business need for reproduction.

(d) Prior Actions and Knowledge. Employee represents and warrants that from the time of his first contact with Employer, he has held in strict confidence all Confidential Information and has not disclosed any Confidential Information, directly or indirectly, to anyone outside of Employer, or used, copied, published, or summarized any Confidential Information, except to the extent otherwise permitted in this Agreement.

(e) Third-Party Information. Employee acknowledges that Employer has received and in the future will receive from third parties their confidential information subject to a duty on Employer's part to maintain the confidentiality of such information and to use it only for certain limited purposes. Employee agrees that he owes Employer and such third parties, during the Period of Employment and thereafter, a duty to hold all such confidential information in the strictest confidence and not to disclose or use it, except as necessary to perform his obligations hereunder and as is consistent with Employer's agreement with such third parties.

(f) Conflicting Obligations. Employee represents and warrants that his execution of this Agreement, his employment with Employer, and the performance of his proposed duties under this Agreement will not violate any obligations he may have to any former employer (or other person or entity), including any obligations with respect to proprietary or confidential information of any other person or entity. Employee agrees that he will not use for the benefit of, or disclose to, Employer any confidential information belonging to any former employer or other entity unless he has written permission from the employer or entity to do so (or unless Employer has been granted such permission).

3. Other Activity During Employment. Except upon the prior written consent of Employer, Employee (during the Period of Employment) shall not (i) accept any other employment; or (ii) engage, directly or indirectly, in any other business, commercial, or professional activity (whether or not pursued for pecuniary advantage) that is or may be competitive with Employer, that might create a conflict of interest with Employer, or that otherwise might interfere with the business of Employer, or any Affiliate.

4. Competitive Activity.

(a) Acknowledgment. Employee acknowledges and agrees that the pursuit of the activities forbidden by Section 4(b) would necessarily involve the use or disclosure of Confidential Information in breach of Section 2, but that proof of such a breach would be extremely difficult.

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(b) Prohibited Activity After Employment. To forestall the above-described disclosure, use, and breach, Employee agrees that for a period of one (1) year after termination of the Period of Employment, he shall not, directly or indirectly, (i) divert or attempt to divert from Employer (or any Affiliate) any business of any kind in which it is engaged; (ii) employ or recommend for employment any person employed by Employer (or any Affiliate); or (iii) engage in any business activity that is or may be competitive with Employer (or any Affiliate) in any state where Employer conducts its business, unless Employee can prove that any action taken in contravention of this subsection was done without the use in any way of Confidential Information.

5 Interference with Business. In order to avoid disruption of Employer's business, Employee agrees that for a period of one (1) year after termination of the Period of Employment, he shall not, directly or indirectly, (i) solicit any customer of Employer (or any Affiliate) known to Employee during the Period of Employment to have been a customer; or (ii) solicit for employment any person employed by Employer (or any Affiliate).

6. Inventions and Ideas.

(a) Defined; Statutory Notice. The term "Invention/Idea" includes any and all ideas, processes, trademarks, service marks, inventions, technology, computer hardware or software, original works of authorship, designs, formulas, discoveries, patents, copyrights, products, and all improvements, know-how, rights, and claims related to the foregoing that are conceived, developed, or reduced to practice by Employee, alone or with others, during the Period of Employment, except to the extent that California Labor Code Section 2870 lawfully prohibits the assignment of rights in such intellectual property.

Employee acknowledges that he understands that this definition is limited by California Labor Code Section 2870, which provides:

"(a) Any provision in an employment agreement which provides that an employee shall assign, or offer to assign, any of his or her rights in an invention to his or her employer shall not apply to an invention that the employee developed entirely on his or her own time without using the employer's equipment, supplies, facilities, or trade secret information except for those inventions that either:

(1) Relate at the time of conception or reduction to practice of the invention to the employer's business, or actual or demonstrably anticipated research or development of the employer; or

(2) Result from any work performed by the employee for the employer.

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(b) To the extent a provision in an employment agreement purports to require an employee to assign an invention otherwise excluded from being required to be assigned under subdivision (a), the provision is against the public policy of this state and is unenforceable."

Nothing in this Agreement is intended to expand the scope of protection provided Employee by Sections 2870 through 2872 of the California Labor Code.

(b) Disclosure. Employee shall maintain adequate and current written records on the development of all Invention/Ideas and shall disclose promptly to Employer all Invention/Ideas and relevant records, which records will remain the sole property of Employer. Employee agrees that all information and records pertaining to any idea, process, trademark, service mark, invention, technology, computer hardware or software, original work of authorship, design, formula, discovery, patent, copyright, product, and all improvements, know-how, rights, and claims related to the foregoing ("Intellectual Property"), that Employee does not believe to be an Invention/Idea, but that is conceived, developed, or reduced to practice by Employee (alone or with others) during the Period of Employment (or during the post-employment period set forth in Section 6(e) below), shall be disclosed promptly to Employer (such disclosure to be received in confidence). Employer shall examine such information to determine if in fact the Intellectual Property is an Invention/Idea subject to this Agreement.

(c) Assignment. Employee agrees to, and hereby does, assign to Employer his entire right, title, and interest (throughout the United States and in all foreign countries), free and clear of all liens and encumbrances, in and to each Invention/Idea, which shall be the sole property of Employer, whether or not patentable. In the event any Invention/Idea is deemed by Employer to be patentable or otherwise registrable, Employee shall assist Employer (at its expense) in obtaining letters patent or other applicable registrations thereon and shall execute all documents and do all other things necessary or proper thereto (including testifying at Employer's expense) and to vest Employer, or any entity or person specified by Employer, with full and perfect title thereto or interest therein. Employee shall also take any action necessary or advisable in connection with any continuations, renewals, or reissues thereof or in any related proceedings or litigation. Should Employer be unable to secure Employee's signature on any document necessary to apply for, prosecute, obtain, or enforce any patent, copyright, or other right or protection relating to any Invention/Idea, whether due to Employee's mental or physical incapacity or any other cause, Employee irrevocably designates and appoints Employer and each of its duly authorized officers and agents as Employee's agent and attorney-in-fact, to act for and in Employee's behalf and stead and to execute and file any such document, and to do all other lawfully permitted acts to further the prosecution, issuance, and enforcement of patents, copyrights, or other rights or protections with the same force and effect as if executed, delivered, and/or done by Employee.

(d) Exclusions. Employee represents that there are no Invention/Ideas that he desires to exclude from the operation of this Agreement. To the best of Employee's knowledge, there is no existing contract in conflict with this Agreement and there is no contract to

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assign any Intellectual Property that is now in existence between Employee and any other person or entity.

(e) Post-Termination Period. Because of the difficulty of establishing when any Intellectual Property is first conceived or developed by Employee, or whether it results from access to Confidential Information or Employer's equipment, supplies, facilities, or data, Employee agrees that any Intellectual Property shall be presumed to be an Invention/Idca, if reduced to practice by Employee or with the aid of Employee within one (1) year after termination of the Period of Employment. Employee can rebut the above presumption if he proves that the Intellectual Property (i) was developed entirely on Employee's own time without using Employer's equipment, supplies, facilities, or trade secret information; (ii) was not conceived or reduced to practice during the Period of Employment, or, if conceived or reduced to practice during this period, did not, at the time of conception or reduction to practice, relate to Employer's business or actual or demonstrably anticipated research or development; and (iii) did not result from any work performed by Employee for Employer.

7. Grounds for Termination. Any material breach by Employee of this Agreement shall be grounds for terminating Employee's employment with Employer. Notwithstanding the foregoing, nothing in this Agreement is intended to alter the at-will employment status of Employee.

8. Notices. Any notice or other communication under this Agreement must be in writing and shall be effective upon delivery by hand or three (3) business days after deposit in the United States mail, postage prepaid, certified or registered, and addressed to Employer or to Employee at the corresponding address below. Employee shall be obligated to notify Employer in writing of any change in his address. Notice of change of address shall be effective only when done in accordance with this Section.

Employer's Notice Address:

ATTN: C.E.O.
InferScape, Inc.

Employee's Notice Address:

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9. Action by Employer. All actions required or permitted to be taken under this Agreement by Employer, including, without limitation, exercise of discretion, consents, waivers, and amendments to this Agreement, shall be made and authorized only by the President or by his or her representative specifically authorized in writing to fulfill these obligations under this Agreement.

10. Integration. This Agreement sets forth the parties' mutual rights and obligations with respect to proprietary information, prohibited competition, and intellectual property. It is intended to be the final, complete, and exclusive statement of the terms of the parties' agreements regarding these subjects. This Agreement supersedes all other prior and contemporaneous agreements and statements, whether written or oral, express or implied, on these subjects, and it may not be contradicted by evidence of any prior or contemporaneous statements or agreements. To the extent that the practices, policies, or procedures of Employer, now or in the future, apply to Employee and are inconsistent with the terms of this Agreement, the provisions of this Agreement shall control.

11. Amendments; Waivers. This Agreement may not be amended except by an instrument in writing, signed by each of the parties. No failure to exercise and no delay in exercising any right, remedy, or power under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, or power under this Agreement preclude any other or further exercise thereof, or the exercise of any other right, remedy, or power provided herein or by law or in equity.

12. Assignment; Successors and Assigns. Employee agrees that he will not assign, sell, transfer, delegate, or otherwise dispose of, whether voluntarily or involuntarily, or by operation of law, any rights or obligations under this Agreement. Any such purported assignment, transfer, or delegation shall be null and void. Nothing in this Agreement shall prevent the consolidation of Employer with, or its merger into, any other entity, or the sale by Employer of all or substantially all of its assets, or the otherwise lawful assignment by Employer of any rights or obligations under this Agreement. Subject to the foregoing, this Agreement shall be binding upon and shall inure to the benefit of the parties and their respective heirs, legal representatives, successors, and permitted assigns, and shall not benefit any person or entity other than those specifically enumerated in this Agreement.

13. Severability. If any provision of this Agreement, or its application to any person, place, or circumstance, is held by an arbitrator or a court of competent jurisdiction to be invalid, unenforceable, or void, such provision shall be enforced to the greatest extent permitted by law, and the remainder of this Agreement and such provision as applied to other persons, places, and circumstances shall remain in full force and effect.

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14. Attorneys' Fees. In any legal action or other proceeding brought to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs.

15. Injunctive Relief. If Employee breaches or threatens to breach any provision of this Agreement, the parties acknowledge and agree that the damage or imminent damage to Employer's business or its goodwill would be irreparable and extremely difficult to estimate, making any remedy at law or in damages inadequate. Accordingly, Employer shall be entitled to injunctive relief against Employee in the event of any breach or threatened breach of such provisions by Employee, in addition to any other relief (including damages) available to Employer under this Agreement or under law.

16. Governing Law. This Agreement shall be governed by and construed in accordance with the law of the State of California.

17. Interpretation. This Agreement shall be construed as a whole, according to its fair meaning, and not in favor of or against any party. By way of example and not in limitation, this Agreement shall not be construed in favor of the party receiving a benefit nor against the party responsible for any particular language in this Agreement. Captions are used for reference purposes only and should be ignored in the interpretation of the Agreement.

18. Employee Acknowledgment. Employee acknowledges that he has had the opportunity to consult legal counsel in regard to this Agreement, that he has read and understands this Agreement, that he is fully aware of its legal effect, and that he has entered into it freely and voluntarily and based on his own judgment and not on any representations or promises other than those contained in this Agreement. Employee specifically acknowledges that he has received notice of his statutory rights under Section 2870 of the California Labor Code, as set forth in the above Section 6 on Inventions and Ideas.

The parties have duly executed this Agreement as of the date first written above.

Name: LINCOLN EVANS S. BEAUCHAMP

Inferscape, Inc.
By: Shuler A.
Its: CPO

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17 July 2000

Lincoln Evans-Beauchamp intends to transfer to Inferscape his intellectual property as part of the founder's stock purchase program. This intellectual property includes the following applications/systems and the included technologies:

- An Anti-Submarine Warfare Advisor utilizing Bayesian Decision Networks, Intelligent Decision Systems, Game Theory and Risk Analysis Technologies.
- An Tactical and Strategic Sailing Advisor utilizing Bayesian Decision Networks, Intelligent Decision Systems, Bayesian Data Mining, and Game Theory Technologies.

L. E. - bmg
Lincoln Evans-Beauchamp, CTO
Inferscape

E. Zanelli
Ed Zanelli, CEO
Inferscape